

CSUN | FOUNDATION

GIFTS-IN-KIND PROCEDURES AND GUIDELINES

California State University, Northridge Foundation is a recognized auxiliary of the California State University organized specifically to cultivate, solicit, and steward philanthropic contributions for the benefit of California State University, Northridge, and its colleges, departments, programs, institutes, and centers.

This document provides procedures and guidelines for the acceptance of gifts-in-kind by the CSUN Foundation for the benefit of its operations or in furtherance of the mission of California State University, Northridge.

Gifts in Kind (GIK) can only be accepted on the campus when the department completes the Gift in Kind Acceptance Form (available on the Foundation website) and the proposed GIK is approved by the CSUN Foundation.

Gifts in Kind (GIK) refer to a non-monetary donation received by the CSUN Foundation. Gifts-in-kind generally fall into two categories.

- A. **Tangible Personal Property** - This includes such items as materials, equipment, software, books, computers, printed materials, food, or other items. This category also includes the transfer of gift cards, gift certificates, and other documents to be utilized by the Donee (CSUN Foundation) to acquire items of value. These items may be tax deductible to the Donor and can be counted in the CSUN Foundation's fundraising totals.
- B. **Contributed Services** - This includes such items as personal time (i.e. consulting and volunteer time) and the use of facilities (i.e. use of a condominium or office space). The value of service or a partial interest (use of property, as opposed to ownership) is not tax deductible and will not be counted in the Foundation's fundraising totals. However, we will record these gifts for recognition purposes and all normal documentation procedures outlined in this document should be followed.

While the CSUN Foundation is responsible for the acceptance of gifts-in-kind. The process utilizes the judgment of key University personnel, such as Vice Presidents, College Deans, Department Chairs, and Program Directors to determine whether the gift-in-kind should be accepted. As such, it is important that campus leadership consider these questions in their recommendation to the CSUN Foundation to accept a gift-in-kind:

- Is the Gift-in-Kind (GIK) relevant to the work of the University? As a general rule, we only accept gifts that further the work of the University, colleges, departments programs, institutes, and centers.
- Will the acceptance of the GIK jeopardize the reputation of the Donor or the University? Does the Donor's intent match the interests of the University?
- Will the GIK cost the University money in the future, such as maintenance, repair, or preservation costs?
- Are there any risks associated with the acceptance of the GIK?

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- Will the GIK require a special facility in which to house it?
- Are there any special conditions the Donor may impose?
- If the property cannot to be used by the University programs, will the Donor allow it to be sold?

If additional cost will be necessary and are not normally part of the operating budget, it may be necessary to consult with the Donor regarding an additional financial gift to support the gift-in-kind.

Procedure

1. It is the responsibility of the College, Department, Program, Institute or Center to complete the Gift-In-Kind Acceptance Form available on the CSUN Foundation website.
2. The form, when completed, should have copies of receipts, valuations, certificates, tickets, packing slips, and pictures of the item. These documents are required for tracking and substantiation purposes.
3. Once the Form and accompanying documents is received, CSUN Foundation will evaluate and determine whether the gift is accepted. The responsible unit will be notified of the decision.
4. At that time, the unit should coordinate the delivery of the item to the campus and the completion of the Deed of Gift (template is available on the CSUN Foundation website).
5. CSUN Foundation must receive the original Deed of Gift and the proof of receipt of the gift-in-kind.
6. All of the paperwork obtained during the process will be compiled.
7. CSUN Foundation will provide the Donor with a gift receipt and acknowledgement letter once all of the requisite forms have been received.
8. CSUN Foundation will determine independently the recognition and valuation of the gift in kind for philanthropic purposes within generally accepted accounting principles. The valuation is for internal purposes only and has no impact on the Donor's valuation or deduction.

VALUATION

Fair market value is defined by the Internal Revenue Service (IRS) as "the price a willing, knowledgeable buyer would pay a willing, knowledgeable seller when neither to buy or sell." Under IRS regulations, the valuation of a Gift-In-Kind is the responsibility of the Donor, not CSUN Foundation. Based on this responsibility, the following guidelines are provided:

- A. Gifts-in-kind with a Value of \$5,000 or more
 1. Charitable Deduction Requirements
 - a. If a donor intends to claim a tax deduction for a non-cash gift with a value of \$5,000 or more, the Donor must submit an IRS Form 8283, accompanied with an appraisal executed by a qualified independent appraiser.
 - b. The appraiser cannot be the donor or the Foundation.
 - c. The appraisal cannot be earlier than sixty (60) days prior to the date of the gift.
 - d. The donor is responsible for obtaining any required appraisal and the appraiser's signature on Section B of IRS Form 8283. An officer of the CSUN Foundation must also sign Form 8283 to acknowledge receipt of the item. Please note the signature of the Foundation Officer on the form does not represent concurrence in the appraised value of the contributed item.

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- e. Once signed, the Foundation will provide the Donor with the original IRS Form 8283 and retain a copy.
 - f. If the item is sold, exchanged, or otherwise disposed of within two years after the date of receipt, the Foundation will be required to file IRS Form 8282 (Donee Information Return) with the IRS and will provide the Donor a copy of that form.
2. Gift Counting
- a. If the value of the gift in the appraisal is listed as a range of values, the gift will be booked at the midpoint of the range of values.
 - b. CSUN Foundation will record the reasonable value of the gift-in-kind based on paperwork received from the donor. If IRS Form 8283 is received after the gift has been recorded and the appraised value varies from the posted value, the Foundation will revise the valuation accordingly.
 - c. In some cases, the Donor does not need a charitable contribution, so the IRS Form 8283 is not required. A typical example would be corporations or other businesses making a gift-in-kind, which they produced or manufactured. In these cases, appropriate documentation to establish its value might include an itemized inventory list, an invoice or letter, or published information on the value of the items.
- B. Gifts-in-kind with Value Between \$250 and \$4,999
1. Charitable Deduction Requirements
- a. If a donor intends to claim a tax deduction for a non-cash gift with a value of \$250 or more, he/she must submit an IRS Form 8283 with their tax return.
 - b. In some cases, the Donor may want the Foundation to sign the IRS Form 8283 to acknowledge the receipt of the items. In these cases, the process outlined above for gifts-in-kind valued in excess of \$5,000 is followed. Please note an appraisal is not required for gifts valued under \$5,000.
 - c. Foundation gift acknowledgements will include the description of the item with no value stated.
2. Gift Counting
- a. Any gift-in-kind with a value in the range of \$250 to \$4,999 from the donor will be recorded in the Foundation's system at the reasonable value of the gift-in-kind.
 - b. A guideline for appropriate documentation would include the inventory of items with approximate fair market value obtained from the public website, such as Ebay, which can provide the current sales prices for like items.
3. Gifts in Kind valued in excess of \$2,000
- a. Under University policy, these items must be tracked as an asset. In these circumstances, once the Foundation has completed its acceptance process with all requisite paperwork, the Foundation will provide a copy of the

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paperwork in order to facilitate the asset tracking within the University's system.

- C. Special Types of Gift-In-Kind Contributions
 - 1. Archival materials
 - a. These items will be stored in the Delmar T. Oviatt Library
 - b. These items include unpublished and unique papers and records, including but not limited to images, legal papers, recordings, maps, photographs, correspondence, personal diary, letters, scrapbooks, proprietary documents, financial records, artifacts related to the collection, and electronic/digital media.
 - c. The Dean of the Library or designee will evaluate archival materials.
 - 2. Automobiles
 - a. Gifts-in-kind of automobiles and other transportation vehicles, including electric carts, to be used by the University must be evaluated by the Division of Administration and Finance. The acceptance of the gift will require the consent of the Vice President for Administration and Finance.
 - b. CSUN Foundation will facilitate this process, and the acceptance of the gift will be coordinated with the consent of the Vice President for Administration and Finance.
 - c. In circumstances in which an automobile is to be sold and proceeds donated to CSUN Foundation, the process can be facilitated through Charitable Adult Rides and Services, an organization with whom the CSUN Foundation has an agreement. Donors may utilize another related service to facilitate the process.
 - d. Proceeds from the sale will be deposited and the gross sale cash price will be recorded as a gift. The service provider will provide the Donor with the required IRS Form 1099-C.
 - 3. Equipment
 - a. For tracking purposes, the following information is required:
 - a. Name of Manufacturer
 - b. Serial number
 - c. Model number
 - d. Location of equipment, once it is accepted and received
 - 4. Royalties
 - a. Gifts of royalties from property not owned by CSUN Foundation that was not counted at the time of the gift (i.e. could not be valued) will be counted each time a royalty payment is actually received.
 - 5. Contributed Services
 - a. Based on Council for Advancement and Support of Education ("CASE") and Financial Accounting Standards Board ("FASB") guidelines and IRS regulations, contributed services are not considered charitable contributions and will not be included in the Foundation's annual fundraising totals.
 - b. Services requiring specialized skills may be eligible for recognition credit. This includes services provided by accountants, architects, carpenters, doctors,

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- electricians, lawyers, nurses, plumbers, and other professionals and crafts.
- c. Contributions of broadcast time and newspaper space are considered contributed services and are eligible for recognition credit only.
 - d. Use of real property is considered contributed services and is eligible for recognition credit only.
 - e. Restaurants or other businesses that provide catered food for events can only deduct the cost of food not the “service” as a charitable contribution.
 - f. One acceptable option for volunteers who provide professional services to the university is to bill for the service, accept payment for services, and then make a cash gift through the Foundation.
6. Other Items Not Considered Charitable Contributions
- a. Based on the CASE and FASB guidelines and IRS regulations, the following types of in kind contributions are not considered charitable contributions and will not be included in the Foundation’s annual fundraising totals:
 - Costs of appraisal
 - Shipping costs
 - Sales tax
 - b. Stipulations that indicate CSUN Foundation does not have “complete and irrevocable ownership.” For example, if artwork is not displayed, it must be returned to the Donor; software must be returned if we don’t use it; proceeds from sale of piece of art at auction are to be split with artist.
 - c. Property from government agencies

Guidelines for Gift Cards and Gift Certificates

Gift cards and gift certificates received and accepted through the Gift in Kind process must follow the same procedure for safekeeping, recording keeping, and reconciliation required under the Foundation’s Gift Card Process. The process document is available on the Foundation’s website. These will be treated “as if” they were purchased and the use of the Gift Card Log is required.

Guidelines for Gifts in Kind utilized for Silent Auctions and other fundraising events:

- All items to be utilized for a Silent Auction or fundraising event must be recommended and approved for acceptance by the Event Manager (see CSUN Foundation Fundraising Event Guidelines).
- CSUN Foundation must have formally accepted the items with a completed gift acceptance form and a Deed of Gift prior to the initiation of the fundraising event.
- At the event/auction, each bid sheet/program and signage must provide the total fair market value of the items. In order to provide an opportunity to prospective bidders to claim a deduction, bidders must know the fair market value (FMV) of each auction item.
- Bidders will be able to claim a charitable donation for the amount paid in excess of the FMV, provided the bidder knew the FMV in advance of the auction. CSUN Foundation will provide a receipt reflecting this net deductible amount.
- There can be no listing of an item as “priceless,” unless there is no desire or intent to provide the winning bidder with a possible tax-deduction. In such a case, the winning bid establishes the value, and thus, the bidder receives something of equal value for their

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payment. Please make all efforts to identify the FMV of auction items. Prior similar auctions and eBay are good sources for values.

- Please **do not** tie a raffle to auction events. The IRS and California law consider raffles as games of chance. Therefore, any admission price or purchase that qualifies an attendee for such a game of chance disqualifies any portion of that fee for a deduction.

Items contributed for an auction *may* be tax-deductible. There are two underlying rules:

- The item must be a gift in the eyes of the IRS. This excludes contributions recognized as either a service or partial interest. Examples of non-deductible services include free massages, legal advice, tax preparation, makeovers, and other similar services. Partial interest gifts include the use of a vacation home or car. A partial interest also includes the contributions of rounds of golf, airline tickets, tickets to sporting or entertainment events, by the provider (country club, airline, sports team, promoters) represent a decision to give away the items, and therefore not deductible.
- The item must actually sell at the auction. Therefore, we do not provide receipts for donated items until after the conclusion of the auction. Those receipts will describe, without indicating value, what was given.

When a donated item for a silent auction or fundraising event is valued in excess of \$5,000, CSUN Foundation will file IRS Form 8282 after the auction to reflect the realized amount from the auction.